

AUDIT DOCUMENTATION CHECKLIST

The purpose of this checklist is to assist counties in determining if they are maintaining an adequate audit trail in the event of an audit. Because each agreement is slightly different, this checklist is merely a guide that covers general audit areas. All questions in the checklist have been designed to show a "YES" or "N/A" for favorable responses. All "NO" responses identify situations that require research or clarification since the audit trail or records could be improved upon. However, judgment should be used in answering each question since each audit trail is different. Overall, documentation shall be maintained in such detail so as to provide an audit trail that will permit tracing of transactions from the invoices to the financial statements, to the accounting records, and to the supporting documentation.

A. INTERNAL CONTROLS	Yes	No
1. Does the agency have an organizational chart for each department involved with the program?	_____	_____
a. Accounting Department	_____	_____
b. Auditor/Controller Department	_____	_____
c. Contract Agencies	_____	_____
2. Has the agency determined adequate separation of duties exist among the divisions, if applicable?	_____	_____
a. Are transactions received, approved, and posted by more than one employee for any one transaction?	_____	_____
3. Does the agency maintain duty statements for all employees involved with the program?	_____	_____
4. Does the agency maintain written internal control procedures and flowcharts for the following procedures?	_____	_____
a. Program agreement receipts and deposits	_____	_____
b. Program agreement disbursements	_____	_____
c. CSA invoices, including methodology of computing amount billed to the CSA?	_____	_____
5. Does the agency have audit reports covering the agency's internal control structure within the last two years?	_____	_____

B. PROGRAM AGREEMENTS	Yes	No
1. Does the agency have the agreement between the agency and the CSA?	_____	_____
2. Does the agency ensure that staff involved with the program read the agreement between the agency and the CSA?	_____	_____
3. Does the staff involved with the program keep a copy of the program agreement as a reference?	_____	_____
4. Did the agency submit any budget modifications?	_____	_____
a. If not, did the agency incur any substantial changes or modifications that would require a budget modification?	_____	_____
b. If the agency did submit budget modifications, did it maintain copies of the budget modifications and supporting documentation?	_____	_____

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| 5. Does the agency maintain or have access to the original agreement or contracts properly executed by the appropriate parties? | _____ | _____ |
| 6. Do the contractor contracts contain the required language? | _____ | _____ |
| a. Maintenance of books and records | _____ | _____ |
| b. Access to books and records | _____ | _____ |
| c. Non-Discrimination clause | _____ | _____ |
| d. Access to project staff and facilities | _____ | _____ |

C. ACCOUNTING RECORDS	Yes	No
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| 1. Has the agency established separate accounts to record funds received by the agency that clearly identifies they are for the program? | _____ | _____ |
| 2. Does the agency maintain a project costing system or a system that tracks all the receipts and disbursements related to a specific program? | _____ | _____ |
| a. If so, is the system's printout reviewed by management and program (program) staff? | _____ | _____ |
| b. Are discrepancies (if any) investigated and resolved? | _____ | _____ |

D. INVOICES	Yes	No
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| 1. Does the agency have copies of the reimbursement requests forwarded to the CSA? | _____ | _____ |
| 2. Does the agency maintain adequate supporting documentation for all disbursements claimed on the CSA invoices, such as vendor/contractor invoices? | _____ | _____ |
| a. Can the supporting documentation be easily tied back to the CSA invoices? (Are invoices identified by line item?) | _____ | _____ |
| b. Does each line item from the CSA invoice have a supporting calculation? (Is it determinable how the number was calculated?) | _____ | _____ |
| 3. Does the agency maintain copies of approved purchase orders or approved expenditure requests? | _____ | _____ |
| 4. Does the agency maintain proof of receipt of goods? | _____ | _____ |
| 5. Do the contractor invoices include adequate detail for the work performed? | _____ | _____ |
| a. If the contractor bills individually for each client or by the group/class, does the invoice specify what the service was, name(s) of client(s), fee for service, and time allocated? | _____ | _____ |
| b. Does the agency maintain any documentation, such as a client sign-in log to verify the service was provided and substantiate the program contractor invoice? | _____ | _____ |
| c. If the contractor bills by the hour, do the invoices include detail for the work performed during those hours? (For example, an invoice for counseling services should include, at a minimum, the name of the client(s), name of the service provider, date and duration of service, and the fee charged for the service). | _____ | _____ |
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| 6. Randomly select an invoice and reconcile the line item billed to the supporting documentation. Does the line item amount agree with amount invoiced? | _____ | _____ |
| 7. Do the rates charged by the vendor/contractor comply with the program contract terms? | _____ | _____ |
| 8. Does the agency submit bi-annual fiscal invoices and progress reports within 45 calendar days after the end of the designated reporting period? | _____ | _____ |
| a. Are the quarterly fiscal invoices and progress reports properly authorized? | _____ | _____ |
| b. Has the agency submitted quarterly fiscal reports even if no program expenditures were made or reimbursement claimed for the reporting period? | _____ | _____ |

E. CASH DOCUMENTS	Yes	No
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| 1. Does the agency maintain receipts documenting payments received from the CSA? | _____ | _____ |
| 2. Does the agency maintain deposit slips to document deposit of the payments received from the CSA? | _____ | _____ |
| 3. Does the agency deposit CSA payments timely? (within a week) | _____ | _____ |
| 4. Can the agency provide cancelled checks or disbursement documents documenting the payments made to the vendors/contractors? | _____ | _____ |
| 5. Can the agency provide bank statements documenting the deposit of the receipts from the CSA and the vendor/contractor disbursements clearing the bank? | _____ | _____ |
| 6. Can the agency provide general ledgers documenting the entries for cash receipts and cash disbursements? | _____ | _____ |

F. SALARIES AND BENEFITS	Yes	No
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| 1. Does the agency maintain payroll records for agency staff involved with the program project? | _____ | _____ |
| a. Official timesheets for program-related employees (full-time and part-time)? | _____ | _____ |
| b. Salary rates per personnel records for program-related employees (full-time and part-time)? | _____ | _____ |
| c. Time allocation for part-time employees - actual hours worked (i.e., time logs)? (Reminder: estimates and approximate percentages are not acceptable for salaries.) | _____ | _____ |
| 2. If the benefits amount is based on an allocation percentage of actual hours worked (salary calculation), is the benefits amount reasonable? | _____ | _____ |

3. Can the supporting payroll and benefits records be easily tied back to the salaries and benefits line item on the CSA invoices?
 - a. Randomly select an invoice and agree salaries and benefits amount billed to supporting documentation. Does amount agree with amount invoiced? _____
4. If employees assigned to the project are changed, are the changes necessary for the direct delivery of services associated with the program? _____
5. Does the agency verify that salaries and benefits are not also claimed/reimbursed under another separate agreement or program? _____

G. SERVICES AND SUPPLIES	Yes	No
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| 1. Does the agency maintain copies of approved purchase orders or approved expenditure requests? | _____ | _____ |
| 2. Does the agency maintain adequate proof of receipt, vendor invoices, or signed receipts? | _____ | _____ |
| 3. Can the supporting service and supplies records be easily tied back to the line item on the CSA invoices? | _____ | _____ |
| (Is it determinable how the number was calculated?) | _____ | _____ |
| a. Randomly select an invoice and agree services and supplies amount billed to supporting documentation. Does amount agree with amount invoiced? | _____ | _____ |
| 4. Does the agency verify that services and supplies are not also claimed/reimbursed under another separate agreement or program? (Is double reimbursement of expenditures avoided?) | _____ | _____ |

H. TRAVEL/PER DIEM	Yes	No
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| 1. Does the agency maintain agency travel policies in accordance with state program agreement guidelines? | _____ | _____ |
| 2. Does the agency maintain current per diem rates in accordance with state program agreement guidelines? | _____ | _____ |
| 3. Does the agency maintain documentation to support purpose and cost of travel associated with program? (Applies to both reimbursable costs and match costs.) | _____ | _____ |
| 4. Does the agency ensure they are requesting reimbursement for only in-state travel? | _____ | _____ |
| 5. Can the supporting travel/per diem records be easily tied back to the line item on the CSA invoices? | _____ | _____ |
| a. Randomly select an invoice and agree travel/per diem amount billed to supporting documentation. Does amount agree with amount invoiced? | _____ | _____ |
| 6. Does the agency verify that travel/per diem is not also claimed/reimbursed under another separate agreement or program? | _____ | _____ |

I. PROFESSIONAL SERVICES	Yes	No
1. Does the agency verify that the rates charged comply with the agreement?	_____	_____
2. Does the agency maintain evidence that the services were provided?	_____	_____
3. Can the supporting professional services records be easily tied back to the line item on the CSA invoices?	_____	_____
(Is it determinable how the number was calculated?)	_____	_____
a. Randomly select an invoice and agree professional services amount billed to supporting documentation. Does amount agree with amount invoiced?	_____	_____
4. Does the agency verify that professional services are not also claimed/reimbursed under another separate agreement or program?	_____	_____

J. COMMUNITY-BASED ORGANIZATIONS	Yes	No
1. Does the agency maintain an approved contract with the Community-Based Organizations (CBOs)?	_____	_____
2. Do the rates charged by the CBO comply with the contract terms?	_____	_____
3. Does the agency maintain evidence that the services were provided by the third party (CBO)?	_____	_____
4. Can the supporting CBO records be tied back to the line item on the CSA invoices?	_____	_____
(Is it determinable how the number was calculated?)	_____	_____
a. Randomly select an invoice and agree CBO charges billed to supporting documentation. Does amount agree with amount invoiced?	_____	_____
<i>Note: The CSA agreement does not require that CBOs provide the agency copies of its supporting documentation. However, the agency is liable if proper documentation is not maintained.</i>		
5. Does the agency verify that CBO charges are not also claimed/reimbursed under another separate contract or program?	_____	_____

K. ADMINISTRATIVE OVERHEAD	Yes	No
1. Does the agency maintain supporting documentation or the calculation overview for the administrative overhead line item?	_____	_____
2. If the supporting documentation is based on the allocation method, is the amount reasonable?	_____	_____
3. Is the administrative overhead percentage limited to 10% of the program award?	_____	_____

L. FIXED ASSETS	Yes	No
1. Does the agency maintain an inventory system that tracks the fixed assets purchased with state funds?	<hr/>	<hr/>
2. Are fixed assets purchased necessary for the delivery of services directly associated with the program?	<hr/>	<hr/>
3. Are the fixed assets purchased with state funds clearly identifiable as state assets?	<hr/>	<hr/>
4. Are the fixed assets safeguarded from loss or theft?	<hr/>	<hr/>
5. Have fixed assets in an amount over \$1,000 purchased with state funds been approved by the CSA?	<hr/>	<hr/>
a. If so, has the approval for fixed asset purchases been documented and retained by the agency?	<hr/>	<hr/>